Claims

What is claimed is:

1   1. A method for managing an equity loan to a borrower comprising the steps

2   of:

3   calculating an equity value of property owned by the borrower;

4   calculating a loan-to-value ratio of the property;

5   determining whether to grant the equity loan based on the loan-to-value

6   ratio of the property;

7   financing an escrow account with a principal of the equity loan;

8   purchasing a commercial annuity using the principal of the equity loan;

9   and

10   making a periodic payment against the equity loan using proceeds of the

11   commercial annuity.

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1   2. The method of claim 1 wherein the determining step is based on whether

2   the loan-to-value-ratio exceeds a threshold value.

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1   3. The method of claim 2 wherein the threshold value does not exceed 0.60.

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1   4. The method of claim 1 further comprising:

2   calculating a total of other outstanding debts of the borrower; and

3   eliminating the total of other outstanding debts using the contents of the

4   escrow account.

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1   5. The method of claim 4, wherein the outstanding debts include at least one

2   of unpaid real estate taxes, insurance, and utility bills.

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1   6. The method of claim 1 further comprising eliminating incurred debts using

2   the proceeds of the commercial annuity.

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1   7. The method of claim 6, wherein the purchasing step is performed assuming

2   a periodic increase in the incurred debts.

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1   8. The method of claim 1, wherein the directing step is performed on a

2   monthly basis.

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1   9. A data processing system for managing an equity loan to a borrower

2   comprising:

3   a data store;

4   an input device for collecting and inputting into the data processing

5   system a set of data associated with a request for the equity loan;

6   and

7   a processing module comprising:

8   a processor; and

9   memory operatively coupled to the processing module, wherein the

10   memory stores operational instruction to cause the

11   processing module to:

12   calculate an equity value of property owned by the borrower;

13   calculate a loan-to-value ratio of the property;

14   determine whether to grant the equity loan based on the

15   loan-to-value ratio of the property;

16   create an escrow account for the borrower;

17   finance the escrow account with a principal of the equity

18   loan;

19   record receipt of proceeds of a commercial annuity; and

20   make a periodic payment against the equity loan using the

21   proceeds of the commercial annuity.

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1   10. The data processing system of claim 9, wherein the memory stores further

2   operational instructions to cause the processing module to determine

3   based on whether the loan-to-value-ratio does not exceed a threshold

4   value.

1   11. The data processing system of claim 10, wherein the threshold value is

2   0.60.

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4   12. The data processing system of claim 9, wherein the memory stores further

2   operational instructions to cause the processing module to:

3   calculate a total of other outstanding debts of the borrower; and

4   eliminate the total of other outstanding debts using the contents of the

5   escrow account.

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1   13. The data processing system of claim 12, wherein the outstanding debts

2   include at least one of unpaid real estate taxes, insurance, and utility

3   bills.

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1   14. The data processing system of claim 9, wherein the memory stores further

2   operational instructions to cause the processing module to eliminate

3   incurred debts using the proceeds of the commercial annuity.

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1   15. The data processing system of claim 9, wherein the memory stores further

2   operational instructions to cause the processing module to direct annuity

3   payments on a monthly basis.

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1   16. The data processing system of claim 9 further comprising a remote

2   network access device operatively coupled to the processor.

1   17. The data processing system of claim 9 further comprising a display device

2   operatively coupled to the processor.

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1   18. The data processing system of claim 9 further comprising a printing device

2   operatively coupled to the processor.

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1   19. The data processing system of claim 9 further comprising a removable

2   media storage device operatively coupled to the processor.

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1   20. A program storage device readable by a machine, tangibly embodying a

2   program of instructions executable by the machine to perform method

3   steps for managing an equity loan to a borrower, the method steps

4   comprising:

5   calculating an equity value of property owned by the borrower;

6   calculating a loan-to-value ratio of the property;

7   determining whether to grant the equity loan based on the loan-to-value

8   ratio of the property;

9   creating an escrow account for the borrower;

10   financing the escrow account with a principal of the equity loan;

11   recording receipt of proceeds of a commercial annuity; and

12   making a periodic payment of the equity loan with the proceeds of the

13   commercial annuity.

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1   21. The program storage device of claim 20, wherein the step of determining

2   includes evaluating whether the loan-to-value-ratio exceeds a threshold

3   value.

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1   22. The program storage device of claim 21, wherein the threshold value does

2   not exceed 0.60.

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1   23. The program storage device of claim 20, wherein the method steps further

2   comprise:

3   calculating a total of other outstanding debts of the borrower; and

4   eliminating the total of other outstanding debts using the contents of the

5   escrow account.

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1   24. The program storage device of claim 23, wherein the outstanding debts

2   include at least one of unpaid real estate taxes, insurance, and utility

3   bills.

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1   25. The program storage device of claim 20, wherein the memory stores

2   further operational instructions to cause the processing module to

3   eliminate incurred debts using the proceeds of the commercial annuity.

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1   26. The program storage device of claim 20, wherein the memory stores

2   further operational instructions to cause the processing module to direct

3   annuity payments on a monthly basis.

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